

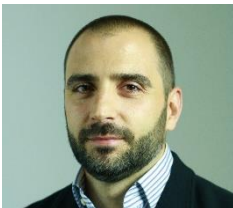
Fashion in Light of COVID-19

Jorge Martin, Head of Fashion Research

Marguerite LeRolland, Research Manager

Arthur Zaczkiewicz, Executive Editor Strategic Content Development WWD

About the speakers



Jorge Martin

Head of Fashion Research at Euromonitor International



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Research Manager at Euromonitor International



Arthur Zaczekiewicz

Executive Editor, Strategic Content Development at Women's Wear Daily

COVID-19: The Ultimate Disruptor

Pathway to success beyond COVID-19

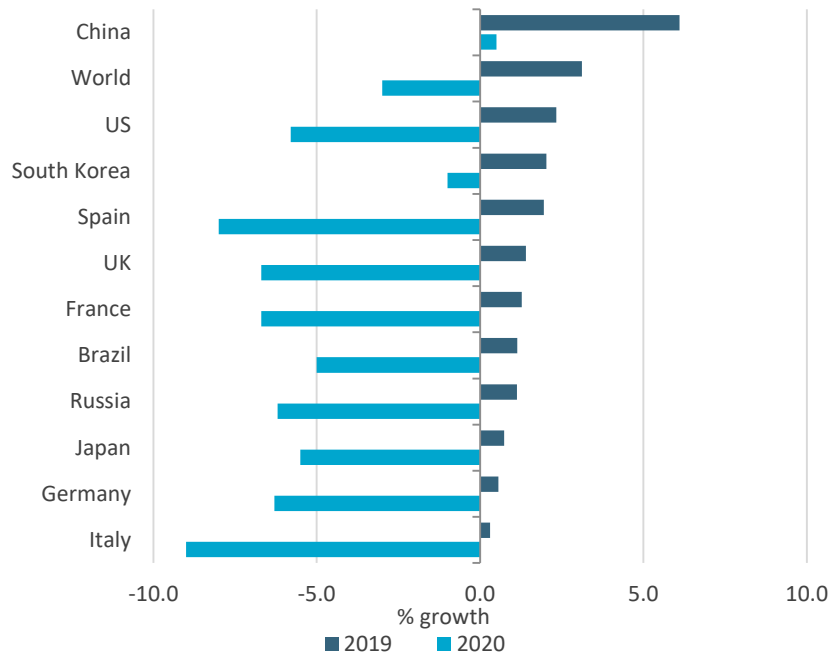


Disruption across the whole value chain



Global macro-environment outlook

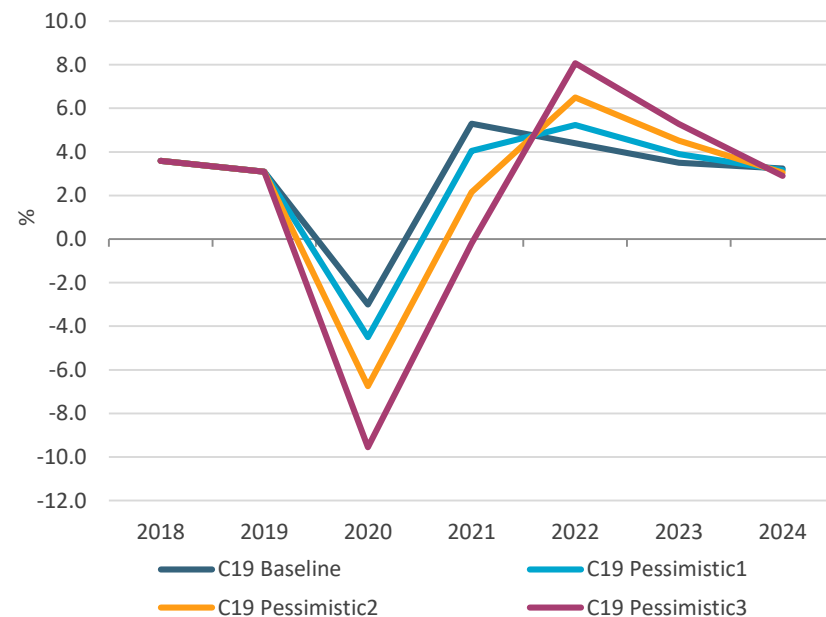
Real GDP Growth Rate: 2019/2020



Source: Euromonitor International Macro Model

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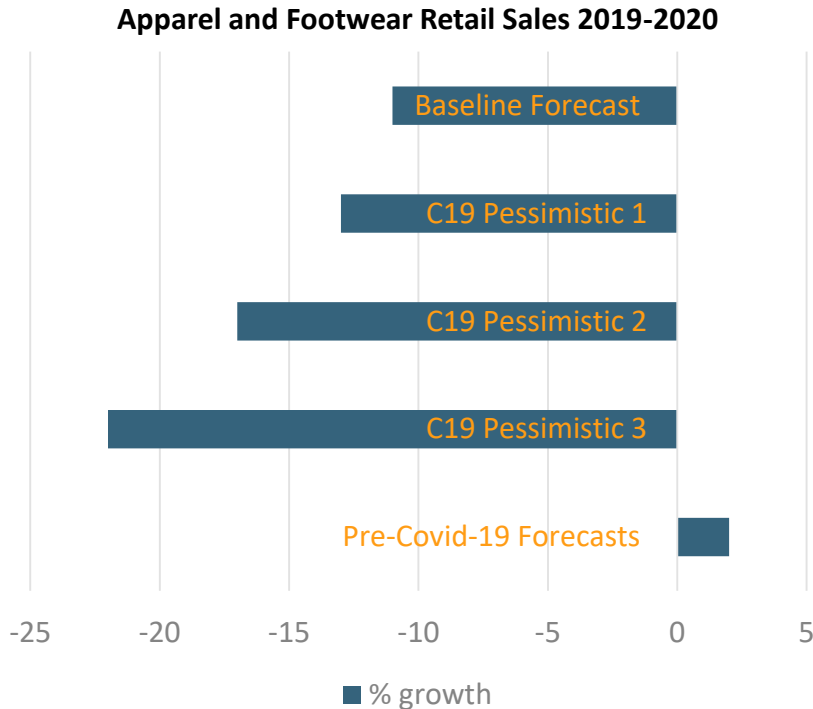
Global Real GDP Growth: 2018-2024



Source: Euromonitor International Macro Model

COVID-19: Consumption

Fashion consumption in quarantine in 2020



Baseline forecast:
Estimated probability:
38-48% over a
one-year horizon

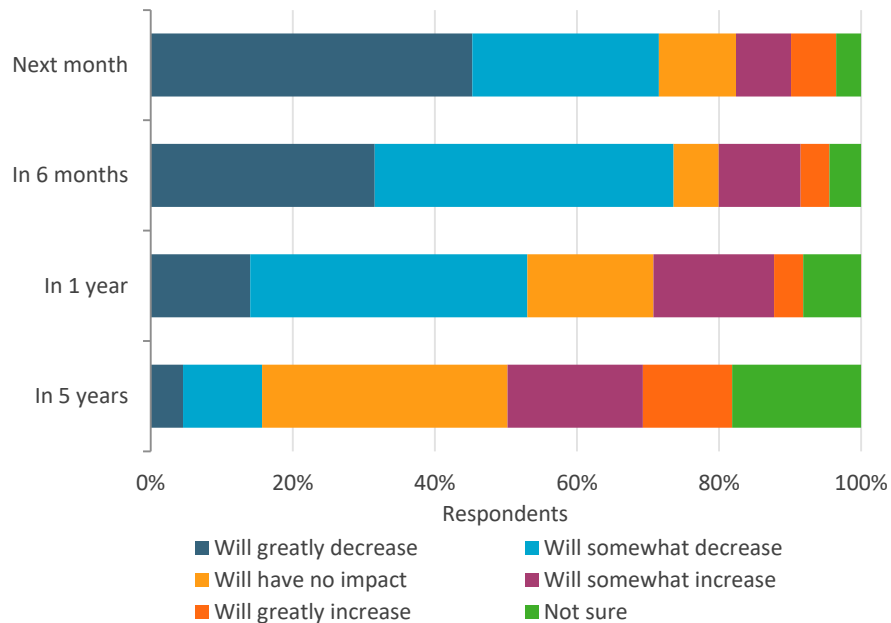
C19 Pessimistic 1:
Estimated probability:
25-35% over a
one-year horizon

C19 Pessimistic 2:
Estimated probability:
15-25% over a
one-year horizon.

C19 Pessimistic 3:
Estimated probability:
5-10% over a
one-year horizon

No back to “normal”

Impact of COVID-19 on Company Revenue April 2020



39%

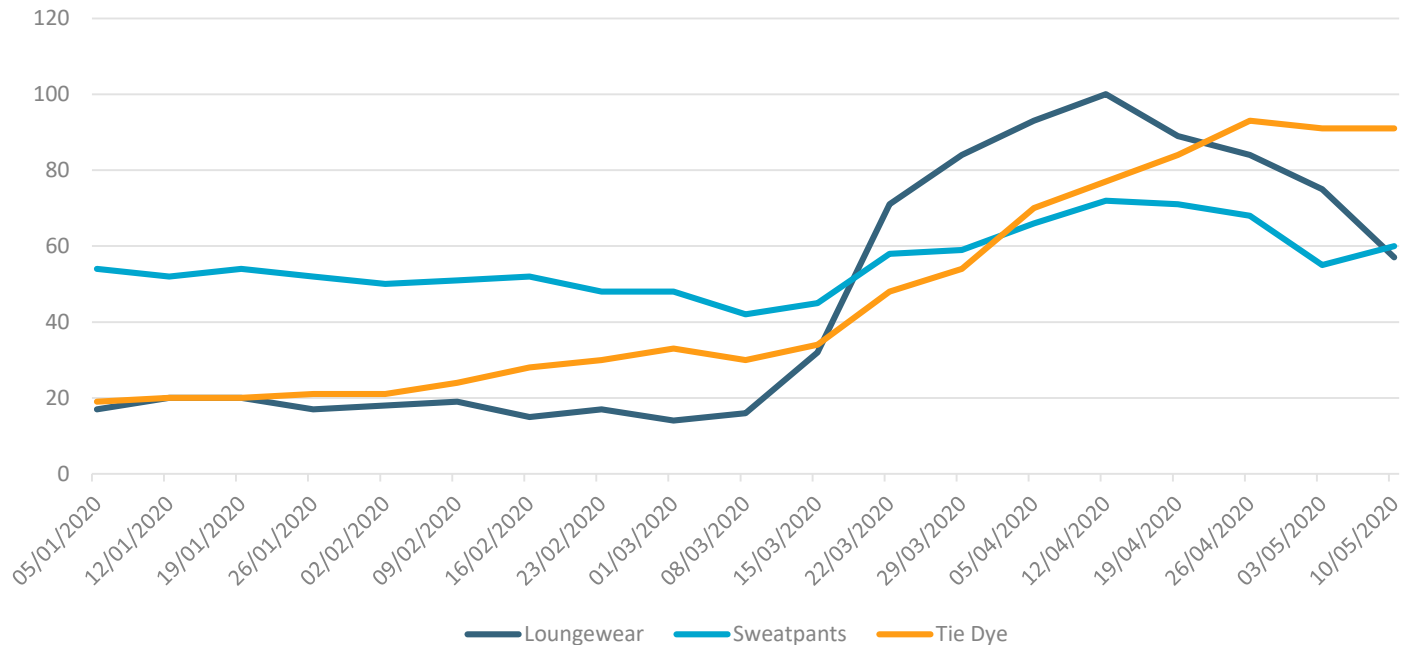
of respondents expect Covid-19 to have a much worse impact on company revenues when compared to 2008/2009 financial crisis.

Source: Euromonitor International COVID-19 Voice of the Industry Survey

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Comfort and DIY winning during lockdown

Google Trends – Web Searches Volume Year to Date



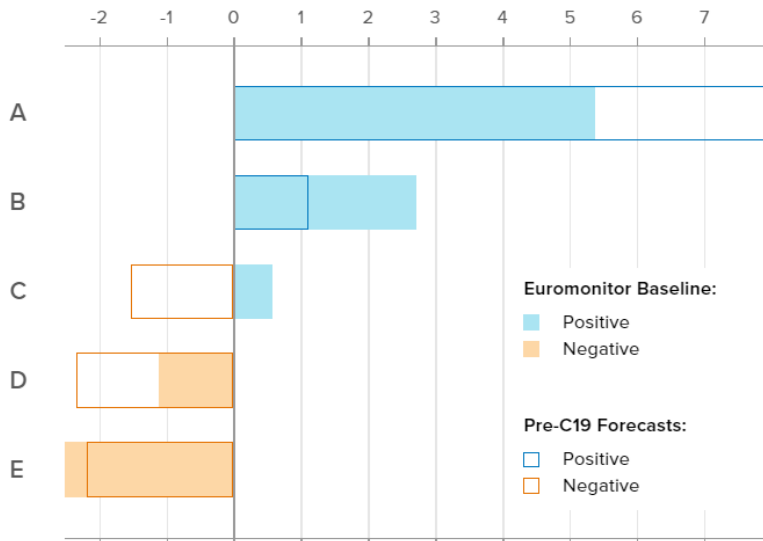
Source: Google Trends

Assessing fashion appetite post-COVID-19

USA PRE-C19 FORECASTS SCENARIO FORECAST |

Number of Households by Disposable Income 2019-2024, constant prices, period % growth

Segments Thresholds USD: $0 \leq E < 5,000 \leq D < 15,000 \leq C < 45,000 \leq B < 100,000 \leq A$



Source: Euromonitor Income Distribution Model

Last updated on April 30, 2020



PLEASE KEEP A SAFE
DISTANCE OF 2 METRES



PLEASE KEEP A SAFE
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With our strong digital foundation, brand momentum and financial position, we believe this will be a catalyzing moment that strengthens Nike's long-term future.

John Donahoe, Chief Executive for Nike



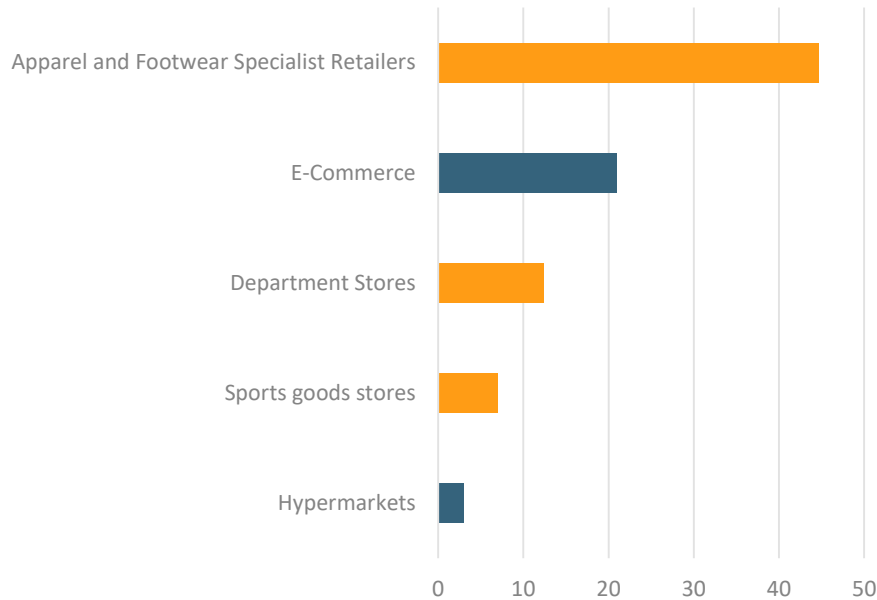
What's Next?

Can COVID-19 slow down consumer demand in the mid to long term? Will COVID-19 redefine fashion consumption?

COVID-19: Distribution

Non-essential channels on lockdown

Top 5 Apparel and Footwear Global Distribution Channels 2019



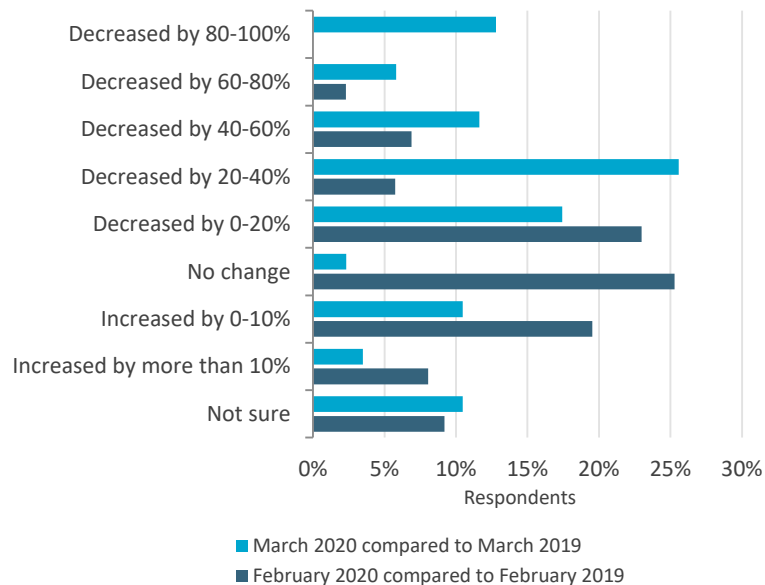
Source: Euromonitor International

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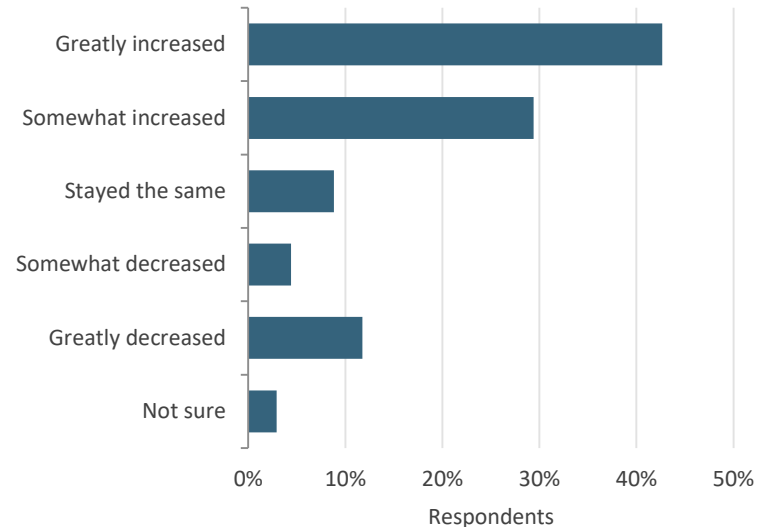


Voice of the Industry

Same-store Sales in February and March Relative to 2019 April 2020



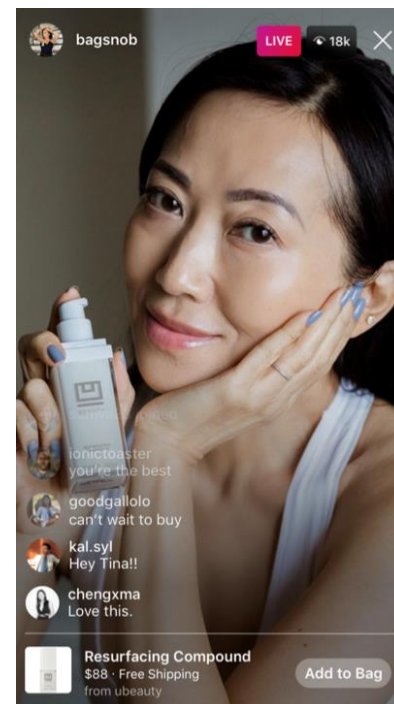
Change in Online Sales in Past Month, Relative to 2019 April 2020



Source: Euromonitor International COVID-19 Voice of the Industry Survey, April 2020

Source: Euromonitor International COVID-19 Voice of the Industry Survey, April 2020

Post-pandemic shopping shaping up



Source: later.com

Live shopping,
conversational commerce
on WeChat or WhatsApp,
AR and VR will take the
spotlight even sooner
than expected, from
virtual fitting rooms to
virtual buying practices
and trade shows.

Pinar Dincer, Head of Fashion at Intelistyle, April 2020



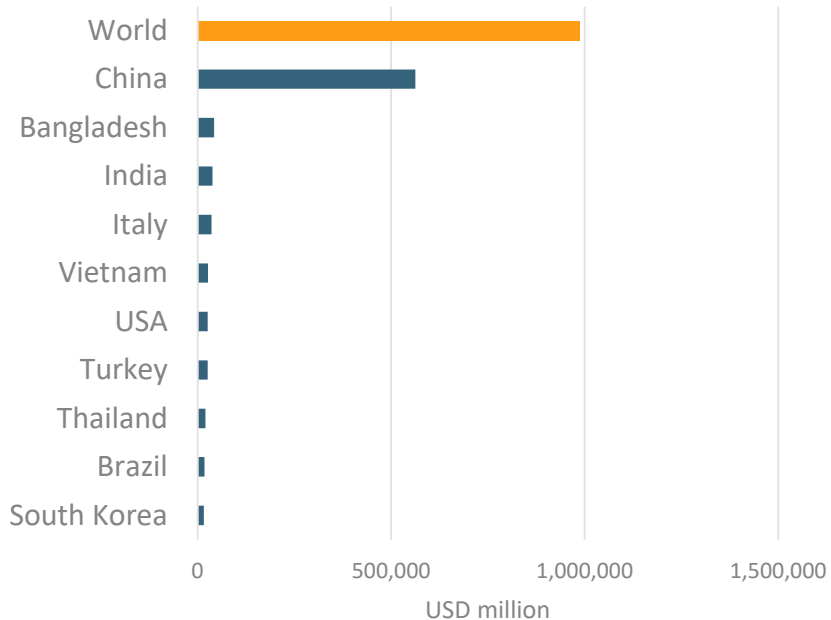
What's Next?

Is fashion set to shift online permanently?

COVID-19: Production and Supply Chain

Manufacturing and supply chain

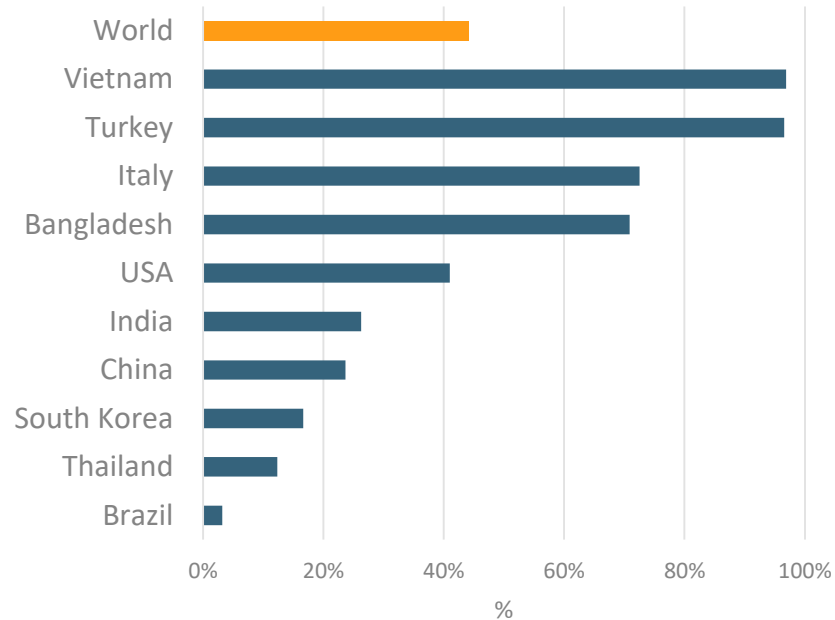
Top 10 Apparel Production Turnover (MSP) 2019



Source: Passport Industrial

© Euromonitor International

Apparel Exports as a % of Production 2019



Source: Passport Industrial

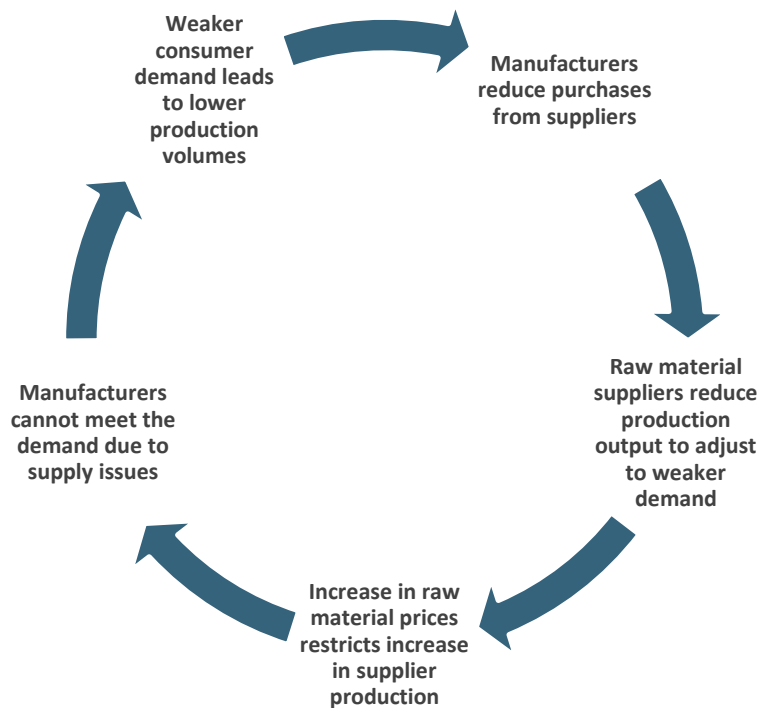


Foreign buyers are postponing orders, and asking for hefty discounts. Goods in transit are also not moving. Those already dispatched are also finding no takers on various foreign ports.

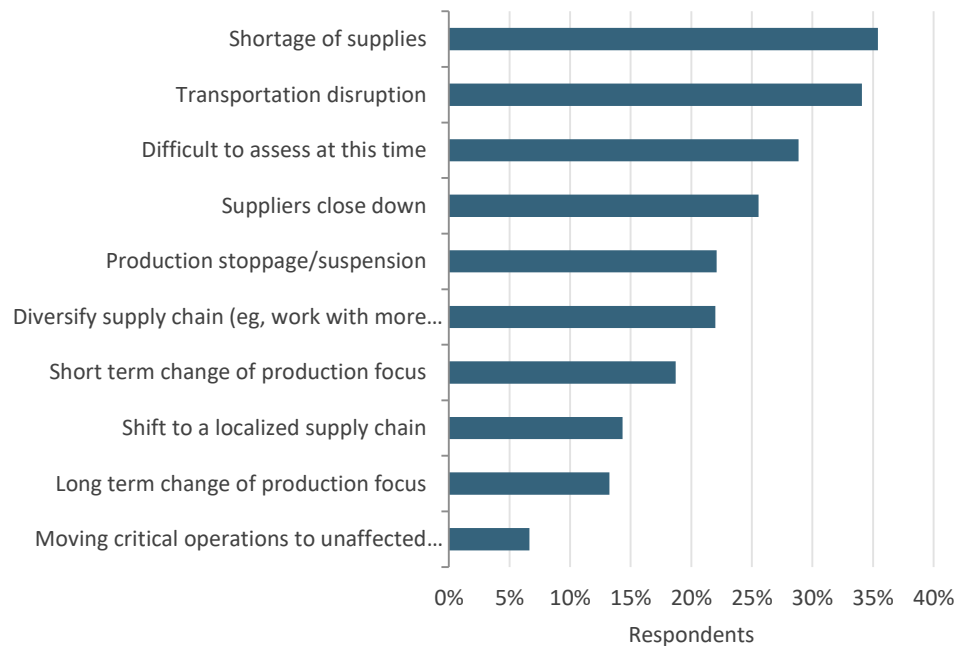
Dr. A Sakthivel, Apparel Export Promotion Council Chairman



Voice of the industry



Impact of COVID-19 on Supply Chain in Next 6 Months



Source: Euromonitor International COVID-19 Voice of the Industry Survey, April 2020

Manufacturing and supply chain



What's Next?

Reshoring, micro factories and
3D printing: Will COVID-19 fast-track these?

COVID-19: Final Thoughts



Disrupted?

Or not?



Thank You

Jorge Martin, Head of Fashion Research
Marguerite LeRolland, Research Manager
Arthur Zaczekiewicz, Executive Editor
Strategic Content Development WWD

Related Analysis:

[Understanding the Impact of Coronavirus](#)

For more information please contact:
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